IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

- -

MUELLER SPORTS MEDICINE, INC.,

Plaintiff,

v.

SPORTSTAR ATHLETICS, INC.,

Defendant.

OPINION AND ORDER

04-C-0700-C

- -

Plaintiff Mueller Sports Medicine, Inc. sued defendant SportStar Athletics, Inc. for patent infringement, contending that defendant was making and offering for sale under-eye devices that infringed plaintiff's U.S. Patent No. 4,719,909. After a two-day trial, the jury found that defendant had infringed the patent and had done so willfully. The parties stipulated that plaintiff's damages were $15,221.22. Now plaintiff is before the court seeking enhanced damages pursuant to 35 U.S.C. § 284 and an award of attorney fees pursuant to 35 U.S.C. § 285.

Deciding whether to award increased damages under § 284 is a two-step process. Jurgens v. CBK, Ltd., 80 F.3d 1566, 1570 (Fed. Cir. 1996). "First, the fact-finder must determine whether an infringer is guilty of conduct upon which increased damages may be

based. If so, the court then determines, exercising its sound discretion, whether, and to what extent, to increase the damages award given the totality of the circumstances." Id. If the jury has found willful infringement, the first step in the process is complete. Id. at 1571. Although the judge is not required to award enhanced damages, it must provide a reasoned explanation if it chooses not to do so. Id. at 1572; see also Tate Access Floors v. Maxcess Technologies, 222 F.3d 958, 972 (Fed. Cir. 2000) (court's failure to articulate any reasons for refusing to make award of enhanced damages or attorney fees is abuse of discretion).

Among the circumstances the court may consider in deciding whether to award enhanced damages are whether the infringer engaged in deliberate copying, whether the infringer investigated the scope of the patent and formed a good faith belief that it was invalid or not infringed, the infringer's behavior as a party to the litigation, the infringer's size and financial condition, the closeness of the case, the duration of the infringer's misconduct, any remedial action by the infringer, the infringer's motivation for harm and whether the infringer tried to conceal its misconduct. Read Corp. v. Portec, Inc., 970 F.2d 816, 827 (Fed. Cir. 1992). The court should consider whether the infringer sought an opinion of counsel before beginning or continuing to sell the infringing device, whether he otherwise exercised due care and whether he had a real basis for concluding that the device did not infringe. Tate Access Floors, 222 F.3d at 972.

Although I stated at trial and continue to believe that the question of infringement

was a close one, the jury's determination overrides my view of the evidence. The jury was instructed that in determining willfulness, it was to consider the totality of the circumstances, including whether defendant intentionally copied the patented product, whether defendant exercised due care to avoid infringement, whether it relied on competent legal advice and how it behaved during litigation. Taking all of this into consideration, the jury found that defendant's infringement was willful. Defendant does not argue that this determination was erroneous or unsupported by credible evidence.

I agree with plaintiff that some enhancement of damages is appropriate in light of the jury's verdict. However, I am persuaded that defendant's small size and modest financial circumstances do not support a full trebling of the damage award. (According to the affidavit of its president, defendant has only six full-time employees; its 2004 taxable income was only $5,584; and it operates out of a leased residence.) I believe that doubling the amount of damages is sufficiently punitive to achieve the purpose for which the penalty exists, which is the deterrence of willful infringement. Plaintiff presented no evidence that defendant deliberately copied its under-eye device. The misconduct was fairly short-lived, defendant did nothing to conceal its misconduct and although it has presented no evidence that it consulted with counsel before deciding to manufacture the infringing devices, it did review research reports that in its opinion showed that its own products would not infringe a valid patent.

As for an award of attorney fees, I am persuaded that plaintiff is entitled to the full amount of fees and costs it is seeking. Not only did defendant act willfully in choosing to sell its infringing under-eye devices, but the manner in which it approached this litigation before it changed attorneys led to increased and unnecessary expenses for plaintiff.

Defendant has objected to the hourly rates charged by some of plaintiff's attorneys and to the overall sum requested. The hourly rates are high but not out of line for lawyers engaged in patent litigation in this community, as shown by the affidavit of David Harth, an active practitioner in the field. The overall costs are reasonable for prosecution of a patent case in this federal court.

ORDER

IT IS ORDERED that plaintiff Mueller Sports Medicine, Inc. is entitled to enhanced damages of double the amount of stipulated damages and to attorney fees and costs in the amount of $122,430.31 (attorney fees of $118,906.00 and costs of $3,524.31).

Entered this 2nd day of November, 2005.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge